

SOCIOECONOMICS

Testimony of Amanda Stennick

SUMMARY OF CONCLUSIONS

Staff concludes that construction and operation of the Orange Grove Energy Project would not cause significant direct or cumulative adverse socioeconomic impacts on the study area's housing, schools, law enforcement, and parks. Staff concludes that with Condition of Certification **WORKER SAFETY-6**, the project would not cause significant direct or cumulative adverse impacts to emergency services. Staff also concludes that the OGE would not induce substantial growth or concentration of population; induce substantial increases in demand for housing or public services; or displace a large number of people.

INTRODUCTION

This staff socioeconomic impact analysis evaluates the project's induced changes on community services and/or infrastructure, and related community issues such as environmental justice. Staff discusses the estimated impacts of the construction and operation of the Orange Grove Energy (OGE) Application for Certification (AFC) on local communities, community resources, and public services.

LAWS, ORDINANCES, REGULATIONS, AND STANDARDS

Socioeconomics Table 1

California Education Code, Section 17620	The governing board of any school district is authorized to levy a fee, charge, dedication, or other requirement for the purpose of funding the construction or reconstruction of school facilities.
California Government Code, Sections 65996-65997	Except for a fee, charge, dedication, or other requirement authorized under Section 17620 of the Education Code, state and local public agencies may not impose fees, charges, or other financial requirements to offset the cost for school facilities.

SETTING

The project site is located in unincorporated northwestern San Diego County about one mile west of the Pala Indian Reservation and two miles west of the unincorporated community of Pala; the town of Fallbrook is about 12 miles to the west. This area of San Diego County is primarily rural, with some agriculture and small communities. Large-scale commercial and industrial uses such as hotel/casino and mining operations are

also present. Riverside County borders San Diego County on the north and is about five miles from the project site. State Route 76 to the south (also known as Pala Road) provides east-west access to the site, and County Road S16 (also known as Pala-Temecula Road) runs north-south. Pala businesses include convenience stores, banks, and grocery shopping. The Pala Casino Spa Resort, a 507-room hotel, spa, and casino, is located about 0.50 miles southwest of the intersection of Pala Road and Pala-Temecula Road.

DEMOGRAPHIC SCREENING

Staff's demographic screening is designed to determine the existence of a minority or below-poverty-level population or both within a six-mile area of the proposed project site. The demographic screening process is based on information contained in two documents: *Environmental Justice: Guidance Under the National Environmental Policy Act* (Council on Environmental Quality, 1997) and *Final Guidance for Incorporating Environmental Justice Concerns in EPA's in NEPA's Compliance Analyses National* (Council on Environmental Quality, 1998). The screening process relies on Year 2000 U.S. Census data to determine levels of minority and below-poverty-level populations.

Minority Populations

According to *Environmental Justice: Guidance Under the National Environmental Policy Act*, minority individuals are defined as members of the following groups: American Indian or Alaskan Native; Asian or Pacific Islander; Black, not of Hispanic origin; or Hispanic. A minority population is identified when the minority population of the potentially affected area is (1) greater than 50%; (2) meaningfully greater than the percentage of the minority population in the general population or other appropriate unit of geographical analysis; or (3) when one or more U.S. Census blocks in the potentially affected area have a minority population of greater than 50%.

For the OGE project, the total population within the six-mile radius of the proposed site is 13,125 persons and the total minority population is 4,116 persons or about 31% of the total population (see **Socioeconomics Figure 1**). However, there are census blocks with minority populations greater than 50%. Therefore, staff in several technical areas identified in the Executive Summary has considered environmental justice in their environmental impact analyses.

Below-Poverty-Level Populations

Staff has also identified the current below-poverty-level population based on Year 2000 U.S. Census block group data within a six-mile radius of the project site. The below-poverty-level population within a six-mile radius of the OGE Project consists of 1,720 people or about 13% of the total population in that area.

ASSESSMENT OF IMPACTS

METHOD AND THRESHOLD FOR DETERMINING SIGNIFICANCE

The criteria used to determine whether project-related socioeconomic impacts would be significant are presented in Appendix G of the California Environmental Quality Act (CEQA) Guidelines. As required by the guidelines, staff determines a project's

potentially significant impact on population, housing, recreation, and emergency medical and public services by evaluating the impact of the project on those areas (**Socioeconomics Table 2**).

Criteria for subject areas such as utilities, fire protection, water supply, and wastewater disposal are analyzed in the **RELIABILITY, WORKER SAFETY AND FIRE PROTECTION**, and **SOILS AND WATER RESOURCES** sections of this document. Impacts on housing, parks and recreation, schools, medical services, law enforcement, and cumulative impacts are based on subjective judgments or input from local and state agencies. Typically, substantial long-term employment of people from regions outside the study area would have the potential to result in significant adverse socioeconomic impacts.

Socioeconomics Table 2
CEQA Environmental Checklist Form

	Potentially Significant Impact	Less Than Significant With Mitigation	Less Than Significant Impact	No Impact
POPULATION AND HOUSING —Would the project:				
A. Induce substantial population growth in a new area, either directly or indirectly.				X
B. Displace substantial numbers of existing housing, necessitating the construction of replacement housing elsewhere?				X
C. Displace substantial numbers of people, necessitating construction of replacement housing elsewhere?				X
PUBLIC SERVICES —Would the project:				
D. Result in substantial adverse physical impacts associated with the provision of new or physically altered government facilities, need for new or physically altered governmental facilities, the construction of which could cause significant environmental impacts, in order to maintain acceptable service ratios, response times, or other performance objectives for any of the public services:				
Emergency medical services			X	
Police protection			X	
Schools				X
Parks				X
Other public facilities				X
RECREATION —Would the project:				
A. Increase the use of existing neighborhood and regional parks or other recreational facilities such that substantial physical deterioration of the facility would occur or be accelerated				X

DIRECT/INDIRECT IMPACTS AND MITIGATION

Induce Substantial Population Growth

For the purpose of this analysis, staff defines “induce substantial population growth” as workers permanently moving into the project area because of project construction and operation, thereby encouraging construction of new homes or extension of roads or other infrastructure. To determine whether the project would induce population growth, staff analyzes the availability of the local workforce and the population within the region. Staff defines “local workforce” as the San Diego-Carlsbad-San Marcos and the Riverside-San Bernardino-Ontario Metropolitan Statistical Areas (MSA).

Socioeconomics Table 2 shows the historical and projected populations within San Diego and Riverside Counties and the state.

Socioeconomics Table 2
Historical and Projected Populations

Area	2000 Population	2005 Population	2020 Population
San Diego County	2,813,833	2,824,259	2,858,150
Riverside County	1,545,387	1,911,281	3,270,200
California	33,871,648	35,278,768	39,500,200
Source: EDD 2008			

As reported by the Department of Finance (DOF) and stated in the AFC, the cities in San Diego County with over 100,000 residents include San Diego (population 1,250,700), Chula Vista (population 183,300), Oceanside (population 165,400), and Escondido (population 137,000). All four cities are within 1.5 hours commuting time of the project. The Riverside County cities of Riverside (population 265,700) and Corona (population 131,200) are also within 1.5 hours commuting time of the project.

Socioeconomics Table 3 shows that total labor by skill in the two MSAs is more than adequate to provide construction labor for the OGE project.

Socioeconomics Table 3
Total Labor by Skill in San Diego and Riverside MSAs Annual Average for 2014

Trade	San Diego MSA	Riverside/San Bernardino MSA	Total # of Workers for Project Construction by Craft
Boilermaker	170	450 ¹	12
Carpenter	23,620	37,500	27
Cement Masons	2,770	6,950	16
Electricians	6,690	7,860	85
Ironworkers	1,200	960	6
Laborers	13,520	25,290	18
Millwrights	NA	150	64
Operators	4,200	5,170	14
Painters	8,980	9,410	61
Pipefitter	7,630	5,650	4
Insulator	420	240	50
Lineman	NA	NA	18

Source: EDD Labor Market Information; Occupational Employment Projections 2004-2014. 1. The "Boilermakers" category reflects the entry for all "Extractive and Related Workers," of which boilermakers are a part. These numbers overstate the actual number of boilermakers, but were the only number available, as the "Boilermaker" category itself was not broken out for the Riverside/San Bernardino MSA labor force projections data sets.

The applicant estimates that construction would begin in April 2009 and last for six months. As shown in Table 6.10-16 in the AFC, the number of construction workers would range from a minimum of 29 in the first month to a maximum of 105 in the fifth month of construction. The average number of workers onsite for the six-month period would be 70. Staff accepts the applicant's position that because of the short construction period, all construction labor would be local and few, if any construction workers would relocate to the project site. The project would have nine full-time employees; the applicant expects all nine employees would be hired locally. Given the large labor force in the cities of San Diego and Riverside Counties within 1.5 hours commuting time of the project, staff does not expect employees would relocate to the immediate project area.

Therefore, staff concludes that the construction and operation workforce would not induce substantial growth or concentration of population and the OGE would not encourage people to permanently move into the area. Consequently, the OGE would have no direct or indirect impact on substantial population growth in a new area.

Displace Existing Housing

Because of the large labor force in nearby cities of San Diego and Riverside Counties and the short construction period, staff expects the majority of construction workers will commute to the project daily from their existing residences. No new housing construction would be required.

Should any construction workers choose to relocate to the project area for the six-month construction period, the available temporary housing in northern San Diego County and

southern Riverside County would be adequate to meet the demand. San Diego County has approximately 54,000 hotel rooms and the community of Fallbrook has 11 hotels (www.fallbrookca.org).

The project would have nine full-time employees; the applicant expects all nine employees would be hired locally. Given the large labor force in the cities of San Diego and Riverside Counties within 1.5 hours commuting time of the project, staff does not expect employees would relocate to the immediate project area.

Staff concludes that the construction and operation workforce would not have a significant adverse impact on housing within the immediate project area and the regional area of Riverside and San Diego Counties, and would not displace existing housing or necessitate construction of replacement housing elsewhere.

Displace Substantial Numbers of People

The project site would be constructed on a 41-acre former citrus orchard in northwestern San Diego County, one mile west of the Pala Indian Reservation and two miles west of the unincorporated community of Pala. This area of San Diego County is primarily rural, with some agriculture and small communities. Large-scale commercial and industrial uses such as hotel/casino and mining operations are also present. The project would not displace any people.

Result in Substantial Physical Impacts to Government Facilities

As discussed under the subject headings below, the OGE would not cause significant impacts to service ratios, response times, or other performance objectives relating to emergency medical services, law enforcement, or schools. Fire protection is analyzed in the **WORKER SAFETY AND FIRE PROTECTION** section of this document.

Emergency Medical Services

On October 6, 2008, the San Diego Local Agency Formation Commission (LAFCO) authorized San Diego County to provide fire protection and emergency medical services in the area that encompasses the OGE. The proposed OGE site is not currently within the jurisdiction of a fire department; however, it is within the Sphere of Influence of the North County Fire Protection District (NCFPD). San Diego County has indicated that it will assign a fire protection district to provide services to the area or the applicant has indicated it will enter into a private service contract directly with the NCFPD. Once the county designates a service provider or a private service contract is approved, the project would be under the jurisdiction of the local fire district for code enforcement and fire protection/emergency response services. Emergency medical response would also be provided by the NCFPD or the Valley Center Fire Protection District which may have an exclusive operating area (EOA) franchise for a region that includes the OGP site (TRC2008f, Data Response #56 and Exhibit 54-1). Please refer to the **WORKER SAFETY AND FIRE PROTECTION** section of this document for a complete discussion of services and Condition of Certification **WORKER SAFETY-6** that would require the project owner to have in place either a private service contract or assignment by San Diego County to a fire district for services no later than sixty days before any activity takes place on the site.

Law Enforcement

The San Diego County Sheriff's (SDS) Department provides public safety and law enforcement services to the unincorporated areas of the County, including the site. The SDS headquarters are located at 28205 N. Lake Wohlford Road, in Valley Center, approximately 17 miles southeast of the site. As stated in the AFC and cited by the SDS, the level of service in the project area is currently inadequate due to the many casinos in the project area. For non-emergency calls, response times for the Valley Center command station have ranged in effectiveness from "medium" (20 to 60 minutes) to "low" (greater than one hour). As stated in the AFC, non-emergency calls to the site would typically be closer to the low range (greater than one hour response time).

Because the operation of power plants requires little in the way of law enforcement, staff concludes that the existing law enforcement resources would be adequate to provide services to the OGE during construction and operation.

Education

The project site is located within the boundaries of the Bonsall Union School District (BUSD), which includes three elementary schools, one middle school, one charter school, and enrolls approximately 1,908 students (data1.cde.ca.gov). Vivian Banks Charter School in Pala is the closest school to the project, and enrolls 119 students, grades kindergarten through eight. The closest high school is Fallbrook High, located within the city limits of Fallbrook, which enrolls approximately 3,106 students.

During construction, staff expects the labor force would commute daily from the region. Due to the commuting habits of construction workers and the short construction time, staff does not expect any construction workers to relocate their families to the area. Therefore, staff does not expect a significant adverse impact to the schools from construction of the proposed project.

A total of nine workers are needed to operate the OGE. As previously stated, the applicant expects to hire the operation workforce from within the area. Should all nine operation workers relocate to Fallbrook, an average family size of 2.5 persons per household would result in the addition of about eight school children to the schools within the BUSD. Given the number of possible schools within the BUSD, staff does not expect a significant adverse impact from the possible addition of eight school children.

Education Code section 17620 states that school districts are authorized to levy a fee, charge, dedication, or other requirement for the purpose of funding the construction or reconstruction of school facilities. School facilities are defined as "any school-related consideration relating to a school district's ability to accommodate enrollment."

California Government Code Sections 65996-65997 state that except for a fee, charge, dedication, or other requirement authorized under Section 17620 of the Education Code, state and local public agencies may not impose fees, charges, or other financial requirements to offset the cost for school facilities. The BUSD charges owners of new commercial industrial development \$0.47 per square foot for covered and enclosed

space. Based on an estimated 5,000 square feet of covered and enclosed space for the OGE, the BUSD would charge the applicant a one-time school impact fee of \$2,350.00, which staff has proposed as condition of certification **SOCIO-1**.

Increase the Use of Existing Recreation Facilities

The San Diego County Parks and Recreation Department is responsible for maintaining the five community parks in the North County area. The two parks closest to the project site are the Fallbrook Community Center, located at 341 Heald Lane and the Fallbrook Community Park. The Community Center is a venue for community-based activities and education and the Community Park has restrooms, two sand volleyball courts, covered picnic pavilion, barbecues, and parking. Live Oak Park's amenities include oak groves, softball fields, a dance pavilion, playgrounds, volleyball courts, six picnic areas, and hiking trails.

Staff concludes that there are a number and variety of parks within the regional project area and does not expect the construction or operation workforce to have a significant adverse impact on parks. The applicant expects construction to last for six months and construction workers are unlikely to relocate or bring their families to the work site. The project would have nine full-time employees that the applicant expects would be hired locally. Given the large labor force in the cities of San Diego and Riverside Counties within 1.5 hours commuting time of the project staff does not expect employees would relocate to the immediate project area.

Staff does not expect the construction or operation workforce would significantly impact existing park services or necessitate construction of new parks in the area.

CUMULATIVE IMPACTS

A project may result in significant adverse cumulative impacts when its effects are cumulatively considerable; that is, when the incremental effects of an individual project are significant when viewed in connection with the effects of past projects, other current projects, and probable future projects [*Public Resources Code* Section 21083; *California Code of Regulations*, Title 14, Sections 15064(h); 15065 (c); 15130; and 15355].

Mitigation requires taking feasible measures to avoid or substantially reduce the impacts.

In a socioeconomic analysis, cumulative impacts could occur when more than one project in the same area has an overlapping construction schedule, thus creating a demand for workers that cannot be met locally. That increased demand for labor could result in an influx of non-local workers and their dependents, resulting in a strain on housing, schools, parks and recreation, law enforcement, and medical services.

There are about 12 energy projects (including OGE) that could potentially contribute to an overlapping construction schedule. With the exception of two projects located in San Diego County, all of these projects are located in the South Coast Air Quality Management District (SCAQMD), which is the air pollution control agency for all of Orange County and the urban portions of Los Angeles, Riverside, and San Bernardino counties. Because of the July 2008 California Supreme Court ruling that concluded the

SCAQMD failed to fully evaluate the environmental impacts of allowing new power plants to use priority reserve credits, the construction schedule of those projects in the SCAQMD (below) is uncertain.

1. El Segundo Repower (Los Angeles County).
2. Blythe II (Riverside County).
3. Walnut Creek Peaker (Los Angeles County).
4. Sun Valley Peaker (Los Angeles County).
5. Highgrove Peaker (San Bernardino County).
6. Vernon Power Plant (Los Angeles County).
7. Victorville Hybrid Gas/Solar (San Bernardino County).
8. San Gabriel (San Bernardino County).
9. Sentinel (Riverside County).

In addition to the energy projects listed above, there are numerous ongoing residential, commercial, and industrial construction projects throughout Los Angeles, San Bernardino, Riverside, and San Diego Counties and it is beyond the scope of this analysis to list them. As shown in **SOCIOECONOMICS Table 4**, the total construction labor force by MSA for the affected counties is more than sufficient to accommodate the labor needs for construction of power generation facilities and other large industrial projects. Based on the robust construction labor force and because the OGE will employ a small number of workers for a period of six months, staff does not expect the OGE to contribute to any significant adverse cumulative socioeconomic impacts.

Socioeconomics Table 4
Occupational Employment Projections by MSA

Construction and Extraction Occupations for Selected MSAs	Average Annual Employment for 2004	Average Annual Employment for 2014
San Diego MSA	96,630	107,730
Riverside MSA (includes San Bernardino County)	124,080	159,320
Los Angeles MSA	160,350	173,240
TOTALS	381,060	440,290

Source: EDD 2007 Projections of Employment by Industry and Occupation

NOTEWORTHY PUBLIC BENEFITS

Noteworthy public benefits include the direct, indirect, and induced impacts of a proposed power plant. Determining and reporting those impacts is a primary task in

developing a socioeconomic analysis¹. For purposes of this analysis, direct impacts were said to exist if the project resulted in permanent jobs and wages; indirect impacts, if jobs, wages, and sales resulted from constructing the project; induced impacts, from the spending of wages and salaries on food, housing, and other consumer goods. These benefits are shown in **Socioeconomics Table 5**.

Socioeconomics Table 5
Noteworthy Public Benefits
Related to Orange Grove Energy Project

Fiscal Benefits	
Estimated annual property taxes	\$1.2 million
State and local sales taxes: Construction	
State and local sales taxes: Operation	\$224,750
School Impact Fee	\$2,350
Non-Fiscal Benefits	
Total capital costs	\$87 million
Construction payroll	\$6.5 million
Operations payroll	\$1.1 million
Construction materials and supplies	local value not estimated
Operations and maintenance supplies	\$2.9 million
Direct, Indirect, and Induced Benefits	
<i>Estimated Direct Employment</i>	
Construction	105 jobs (maximum)
Operation	9 jobs
Estimated Secondary Employment	
Construction	85 jobs
Operation	14 jobs
Estimated Secondary Income	
Construction	\$3.6 million
Operation	\$1.6 million

¹ The dollars spent on or resulting from the construction and operation of the OGE will have a ripple effect on the local economy. For example, OGE owners would employ workers and purchase supplies and services for the life of the project. Employees use salaries and wages to purchase goods and services from other businesses. Those businesses make their own purchases and hire employees, who also spend their salaries and wages throughout the local and regional economy. This effect of indirect (jobs, sales, and income generated) and induced (employees' spending for local goods and services) spending continues with subsequent rounds of additional spending, which is gradually diminished through savings, taxes, and expenditures made outside the area. This ripple effect is measured by an "Input-Output" economic model. The model relies on a series of multipliers to provide estimates of the number of times each dollar of input or direct spending cycles through the economy in terms of indirect and induced output, or additional spending, personal income, and employment. Several input-output models are commonly used by economists, including the IMPLAN model used by the applicant. IMPLAN multipliers indicate the ratio of direct impacts to indirect and induced impacts. Staff reviewed the results of the IMPLAN model and found them to be reasonable considering data provided by the applicant as well as data obtained by staff from governmental agencies, trade associations, and public interest research groups.

RESPONSE TO AGENCY AND PUBLIC COMMENTS

Staff received a letter dated February 6, 2008 from the San Diego Local Agency Formation Commission (LAFCO) regarding the extension of the NCFPD service boundary, an action formerly under consideration by the applicant and NCFPD. Since then, LAFCO has assigned fire protection and emergency services to San Diego County.

CONCLUSIONS

Estimated gross public benefits from the OGE include increases in sales tax, employment, and income for the project area and region.

Staff concludes that construction and operation of the OGE would not cause significant direct or cumulative adverse socioeconomic impacts on the study area's housing, schools, law enforcement, and parks. Staff concludes that with Condition of Certification **WORKER SAFETY-6**, the project would not cause significant direct or cumulative adverse impacts to emergency services. Staff also concludes that the OGE would not induce substantial growth or concentration of population; induce substantial increases in demand for housing or public services; or displace a large number of people.

PROPOSED CONDITIONS OF CERTIFICATION

SOCIO-1 The project owner shall pay the one-time statutory school facility development fee to the Bonsall Unified School District as required by Education Code Section 17620.

Verification: At least 30 days prior to the start of project construction, the project owner shall provide to the CPM proof of payment of the statutory development fee.

REFERENCES

California Energy Commission Statewide Transmission & Power Plant Maps 2006, Census PI 94-171 Data-Matrix PL2.

California Department of Education, Data and Statistics, Student Demographics, School Year: 2006-07. <<http://www.cde.ca.gov/ds/>>.

OGE2008a – OGE/S. Thome (tn46770) Application for Certification Orange Grove Energy dated 6/19/08. Submitted to Dockets 6/19/08.

OGE2008c – OGE/S. Thome (tn46979) Supplement to AFC dated 7/8/08. Submitted to Dockets 7/8/08.

State of California, Employment Development Department (EDD) 2006. Labor Market Information, Occupational Employment Projections 2004-2014 San Diego-Carlsbad-San Marcos and the Riverside-San Bernardino-Ontario Metropolitan Statistical Areas.

- U. S. Environmental Protection Agency (EPA), Office of Federal Activities. 1998. Final Guidelines for Incorporating Environmental Justice Concerns in EPA's NEPA Compliance.
- U. S. Office of Management and Budget (OMB). 2000. Current Population Reports, Series P-60 on Income and Poverty.

SOCIOECONOMICS - FIGURE 1

Orange Grove Project - Census 2000 Minority Population by Census Block - Six Mile Buffer

